

ORDINANCE NO. 2008-23

AN ORDINANCE, amending Ordinance Nos. 99-7, 99-20, 2001-29, and any amendments thereto, relating to property tax exemptions for multi-family housing improvements in the designated urban center.

THE CITY COUNCIL OF THE CITY OF WENATCHEE FINDS as follows:

1. The City of Wenatchee did, in Ordinance No. 99-07, adopt standards for the City's Multi-family Housing Tax Exemption Program in accordance with the Act relating to tax incentives for certain multiple-unit dwellings in urban centers that provide affordable housing, consistent with Chapter 84.14 RCW.

2. The City of Wenatchee did, in Resolution No 2008-56, state the intention to expand the designation of the City of Wenatchee's Residential Target Area for the purpose of the multi-family tax exemption ordinance and setting September 11, 2008 at 5:15 PM as the date and time of the public hearing with the City Council for consideration.

3. The State legislature has, in ESSHB 1910, amended sections of Chapter 84.14 RCW and the City finds it necessary to amend its code to conform therewith.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE, as follows:

SECTION I

Ordinance No. 99-7, Section I, Definitions, codified at WCC 5.88.010, shall be and hereby is amended by the addition of the following definitions:

"Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner-occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

"Household" means a single person, family, or unrelated persons living together.

“Low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development.

“Moderate-income household” means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States Department of Housing and Urban Development.

“Substantial compliance” means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.”

SECTION II

Ordinance No. 99-7, shall be and hereby is amended by the addition of the following provision, to be codified at WCC 5.88.015, Exemption-Duration-Valuation, to read in its entirety as follows:

“Exemption-Duration-Valuation.

1. The value of new housing construction, conversion, and rehabilitation improvements qualifying under this ordinance is exempt from ad valorem property taxation, as follows:
 - a. For eight (8) successive years beginning January 1st of the year immediately following the calendar year of issuance of the final certificate; or
 - b. For twelve (12) successive years beginning January 1st of the year immediately following the calendar year of issuance of the final certificate, if the property otherwise qualifies for the exemption and meets the conditions in this subsection (1)(b). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(b) may be satisfied solely through housing affordable to moderate-income households.
2. The exemptions provided in (1) of this section do not include the value of land or nonhousing-related improvements not qualifying under this ordinance.
3. In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this ordinance. The incentive provided by this

ordinance is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

4. This ordinance does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.
5. ~~At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW."~~

SECTION III

Ordinance No. 99-7, Section II, subsection C, as amended by Ordinance No. 2001-29, Section I, codified at WCC 5.88.040, shall be and hereby is amended to read in its entirety as follows:

"Designated Target Area.

The City Council has adopted the Residential Target Area as indicated on the map (Attachment 1) and the following general description:

Wenatchee's urban center is an area bounded by Seventh Street on the north; Emerson, Delaware, Idaho, Kittitas and Okanogan Streets on the west; Peachey Street on the south; and Wenatchee Avenue and Columbia Street on the east."

SECTION IV

Ordinance No. 99-7, Section III, Project Eligibility, codified at WCC 5.88.050, shall be and hereby is amended to read in its entirety as follows:

"Project Eligibility. A proposed project must meet the following requirements for consideration for a property tax exemption under this chapter:

- (1) Location. The project must be located within Wenatchee's residential targeted area, as designated under WCC 5.88.040.
- (2) Size. The project must provide for a minimum of 50% of the space for permanent residential occupancy. In the case of existing occupied multi-family development, the multi-family housing must also provide for a minimum of four additional multi-family units. Existing multi-family vacant housing that has been vacant for 12 months or more does not have to provide additional multi-family units. Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or city building or housing code. If the property proposed to be rehabilitated is not vacant, an

applicant shall provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate.

- (3) Permanent Residential Housing. At least 50% of the space designated for multi-family housing must be provided for permanent residential occupancy.
- (4) Proposed Completion Date. New construction of multi-family housing and rehabilitation improvements must be scheduled to be completed within 3 years from the date of approval of the application.
- (5) Affordable Housing. For the property to qualify for the 12 year tax exemption, the project must meet the affordable housing requirements as described in WCC 5.88.015 (1) (b)."

SECTION V

Ordinance No. 99-7, Section IV, subsection A, as amended by Ordinance 99-20, codified at WCC 5.88.070, shall be and hereby is amended to include the following:

"6. Verification of property noncompliance with applicable building and housing codes."

SECTION VI

Ordinance No. 99-7, Section IV, subsection D, codified at WCC 5.88.100, shall be and hereby is amended to include the following required submittals:

"4. If applicable, a statement that the project meets the affordable housing requirements as described in WCC 5.88.015 (1) (b)."

SECTION VII

Ordinance No. 99-7, Section IV, subsection F, codified at WCC 5.88.120, shall be and hereby is amended to read in its entirety as follows:

"Annual compliance review.

- 1. Within 30 days after the first anniversary of the date of filing the final certificate of tax exemption and each year thereafter, for the tax exemption period, the property owner shall file a notarized annual report declaration with the director indicating the following:
 - a. A statement of occupancy and vacancy of the multifamily units during the prior 12 months ending with the anniversary date; and
 - b. A certification that the property continues to be in compliance with the contract with the city, including that it has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in Section II.A. since the date of the certificate approved by the city; and
 - c. A description of any subsequent improvements or changes to the property after issuance of the certificate of tax exemption; and

- d. The total monthly rent or total sale amount of each unit produced; and
 - e. The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption.
2. City staff shall also conduct on-site verification of the declaration. Failure to submit the annual declaration may result in the tax exemption being cancelled.”

SECTION VIII

Ordinance No. 99-7, and all amendments thereto, codified at WCC 5.88, shall be and hereby is amended by deleting therefrom all references to:

- A. “Uniform Building Code” and substituting therefore “International Building Code”;
- B. “Multiunit” and substituting therefore “multifamily”; and
- C. “City administrator” and substituting therefore “director”.

SECTION IX


Except as expressly set forth herein, Ordinance No. 99-7, and any amendments thereto, shall remain in full force and effect.

SECTION X

This Ordinance shall take effect thirty (30) days from and after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY WENATCHEE, at a regular meeting thereof, this 11 day of Sept, 2008.

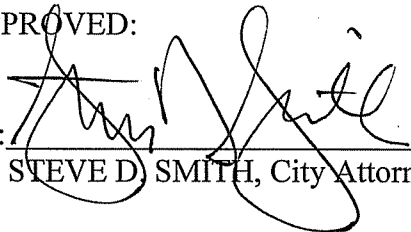
CITY OF WENATCHEE

By: 
DENNIS JOHNSON, Mayor

ATTEST/AUTHENTICATION:

By: 
VICKI REISTER, City Clerk

APPROVED:

By: 
STEVE D. SMITH, City Attorney